



GOVERNOR'S OFFICE OF
MINORITY AFFAIRS

Minority Business Enterprise (MBE) Report

Fiscal Year 2007

(July 1, 2006 – June 30, 2007)

Martin O'Malley, Governor

Anthony G. Brown, Lt. Governor

Luwanda W. Jenkins, Special Secretary

www.mdminoritybusiness.com

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Americans with Disability Act (ADA) Statement

GOMA is committed to complying with the ADA. Every reasonable effort will be made to provide this document in an alternative format, upon request.

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I. EXECUTIVE SUMMARY

As Chief Executive of the State of Maryland, effective January 2007, Governor Martin O'Malley has made ensuring the success of Maryland's women and minority businesses a top priority for the O'Malley/Brown Administration. Governor O'Malley's vision of *One Maryland*, has been transformed into focused efforts to create a culture where doing business with small, women and minority businesses is a vital part of state government. Governor O'Malley builds upon existing laws and policies to strengthen the Minority Business Enterprise (MBE) Program which will ultimately provide transparency in the State's procurement process and result in "**M**ore **B**usiness for **E**veryone."

The Governor's Office of Minority Affairs (GOMA) submits this Report in accordance with Sections 9-306 of the State Government Article and 14-305 of the State Finance and Procurement Article of the Annotated Code of Maryland. Section 14-302 of the State Finance and Procurement Article establishes the following goals for MBE participation in State contracts:

- An overall minimum of 25 percent of the total dollar value of each unit's procurements made directly or indirectly to all certified MBEs.
- A minimum of 7 percent of the total dollar value of each unit's procurements made directly or indirectly to African American-owned businesses certified as MBEs.
- A minimum of 10 percent of the total dollar value of each unit's procurements made directly or indirectly to women-owned businesses that are certified as MBEs.

An MBE is defined as a business that is at least 51 percent owned, managed and controlled by a minority person(s) as defined by State and federal laws. This includes members of socially or economically disadvantaged minority groups, such as African Americans, Asian Americans, Hispanic Americans, Native Americans, women and physically or mentally disabled individuals. Under State law, MBEs also include not for profit entities organized to promote the interests of physically or mentally disabled individuals.

Calculation of the State's MBE participation is based upon the companies and entities certified as MBEs. Currently, there are more than 4,000 certified entities. State agencies can achieve their MBE goals by using any combination of the groups listed above directly as prime contractors and/or indirectly as subcontractors. To achieve the goal utilizing MBE subcontractors, all prime contractors must:

1. Identify work areas for subcontracting.
2. Solicit minority business enterprises at least 10 days before bid opening through written notice and attempt to make personal contact.
3. Help minority businesses meet bonding requirements or grant a waiver of bonding requirements.
4. Identify MBE subcontractors at the time of bid or proposal submission.

Maryland's pro small and minority business laws and policies are very competitive. Maryland is one out of 16 states in the nation that has an MBE Program with a goal as high as 25 percent and one out of four states to have a legally mandated MBE Program. Maryland is the first state to establish a sub-goal for African American-owned businesses and the only state that collects uniform reporting data including payments to MBEs. The State's progressive MBE laws, policies and strong Administrative support ensure the success of Maryland's MBE Program.

Figure 1: Comparison of MBE Programs by State

State	MBE Goal	Voluntary	Legally Mandated	Misc. Details
Arizona	8%	X		Requires M/WBE on small contracts >\$50k
Connecticut	14%	X		Encourages M/WBE via state's supplier diversity effort
Florida	10%	X		"One Florida" supplier diversity program generated 8.5% in M/WBE participation in state procurement in 2005.
Illinois	18%	X		MBE participation drops drastically, despite state's aggressive DBE program for federal transportation.
Indiana	5-9%		X	MBE law requiring each state agency to strive to meet goal, which are relatively low and varies by procurement category.
Maryland	25%		X	Highest goals in the nation for both MBE and DBE Oldest, legally mandated MBE program. Focus on reporting of MBE activity and payments is unique.
Massachusetts	Annual goals set: 2007 - 8% MBE, 4% WBE	X	X	Law requires MBE and compliance monitoring on Construction contracts only. Non-construction procurements operate under a voluntary effort.
Minnesota	DBE goal varies project by project	X		MBE program is rebounding from a legal challenge in 2003 which curtailed the program. MBE gains are being made on the DBE (Federal Transportation side)
Missouri	10% MBE 5% WBE	X		Ended mandatory state MBE program after a legal challenge in 2005. The state now operates a voluntary MBE goal program which is gaining momentum.
Oregon	7% WBE 5% MBE	X		Operates both a M/WBE and DBE program for Dept. of Transportation only.
Rhode Island	10%	X		MBE/DBE program applies to transportation only.
S. Carolina	10%	X		Overhauls M/WBE program to include monitoring
Tennessee	8-12%		X	Requires all state agencies to comply w/MBE
Texas	12%	X		State agencies - required to make good faith MBE efforts
Virginia	10-15%	X		Voluntary MBE goals for all agencies via Exec. Order
Washington	12-18%	X		Multiple legal challenges cause volatility in both MBE and DBE program, which are showing signs of recovery

Source: The Evolution of Affirmative Action-Best Practices and Challenges in State Business Programs-November, 2007

A. Accomplishments

The O'Malley/Brown Administration's commitment to meaningful inclusion of MBEs is demonstrated by the following accomplishments:

- Statestat - an accountability process established to monitor agency performance and improve efficiency in State agencies. Agencies are required to report key MBE performance indicators on customized data templates regularly.
- Board of Public Works (BPW) Monitoring – GOMA's Special Secretary is a regular participant at bi-weekly BPW meetings and also participates in pre-board agency meetings to review procurement items prior to BPW review and approval.
- Enhanced MBE Compliance and Reporting Activities for State Agencies - greater emphasis is placed on more uniform MBE compliance efforts to ensure that State agencies adhere to MBE policies and procedures. A standardized reporting format for MBE compliance was implemented which requires agencies to count only verifiable information attested to by the agency head or cabinet secretary.

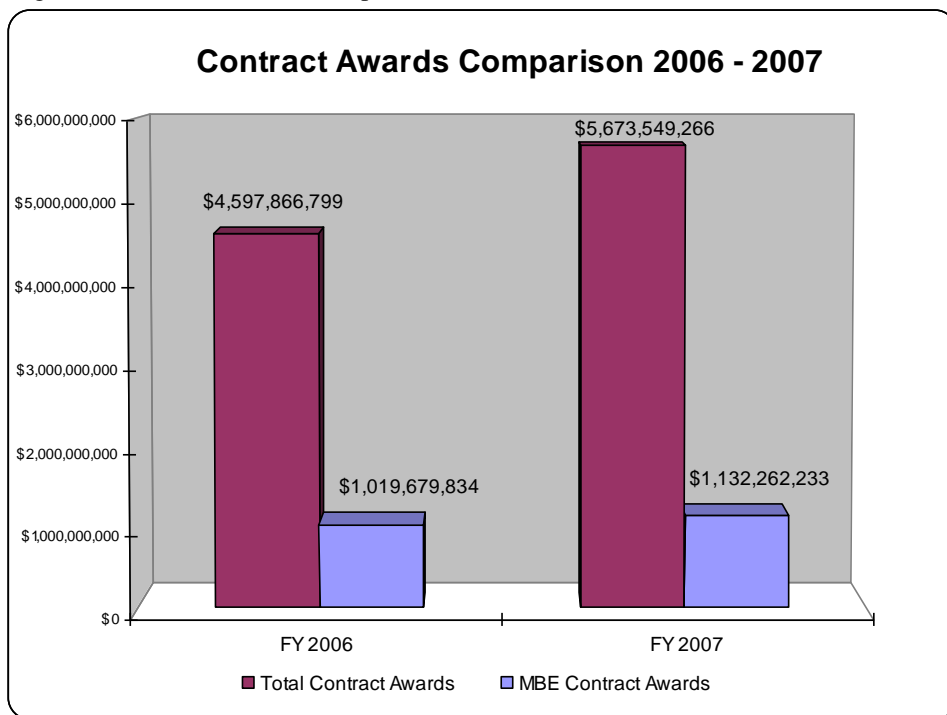
These accountability measures became effective in the second half of fiscal year 2007, and are expected to have a measurable impact on MBE Program performance in fiscal year 2008.

B. MBE Performance Highlights

Notable progress has been made regarding the State's MBE activity during fiscal year 2007, of which the latter six months of activity is attributable to the O'Malley/Brown Administration.

There were increases in both overall State spending and MBE contract dollar awards. State departments and agencies reported expenditures of \$5.6 billion in fiscal year 2007. Of the \$5.6 billion in contract purchases, a total of \$1.1 billion represents awards to State-certified MBEs. This is illustrated in Figure 2.

Figure 2: Contract Awards Comparison



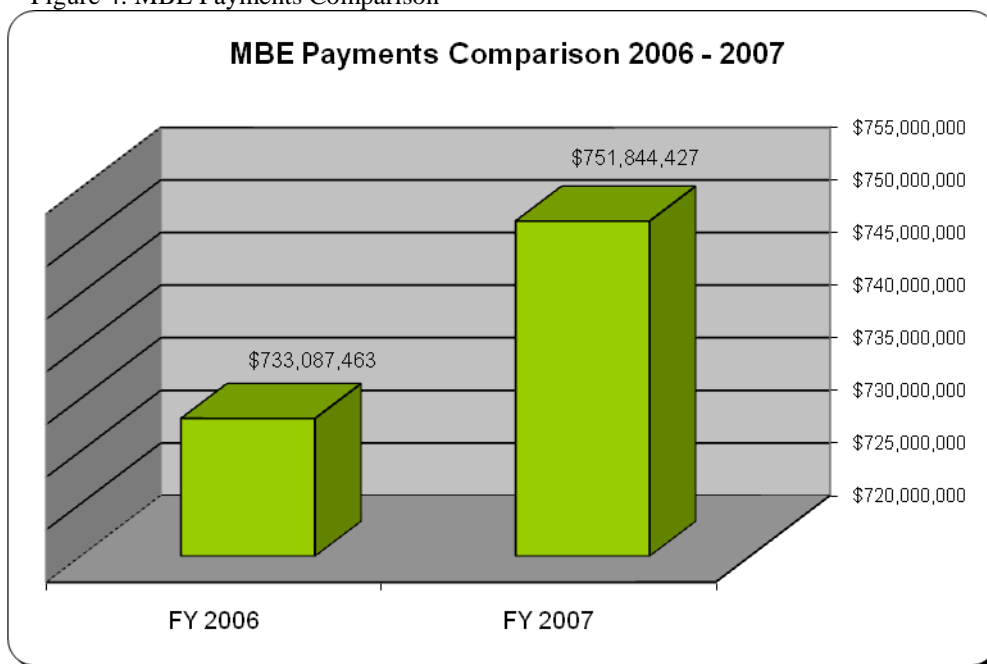
- Actual contract dollars awarded to Minority Business Enterprises were up by more than \$112 million for fiscal year 2007 as compared to the contracts awarded in fiscal year 2006.
- Contract award dollars to ethnic minorities and women rose by 26 percent and 24 percent, respectively, as illustrated in Figure 3.

Figure 3: Fiscal Year Comparison of Contract Awards to Ethnic Minorities & Women

MBE Category	FY 2006 Contract Awards	FY 2007 Contract Awards	% Increase
Ethnic Minorities (African Americans, Asian Americans, Hispanic Americans, & Native Americans)	\$334,481,979	\$420,662,683	26%
Women	\$260,520,974	\$322,921,247	24%

- Actual payment dollars to MBEs increased to \$751.8 million in fiscal year 2007 from \$733.1 million in fiscal year 2006. (See Figure 4).

Figure 4: MBE Payments Comparison



It is important to note that in any given fiscal year MBE payments may not correspond to fiscal year MBE contract award dollars because the MBE payments include actual payments made to MBE prime and subcontractors for work performed on contracts that may have been awarded during previous fiscal years or over multiple fiscal years.

II. OVERVIEW OF MARYLAND'S MINORITY BUSINESS ENTERPRISE PROGRAM

A. Minority Business Enterprise Program History

In 1978, the Maryland General Assembly passed legislation establishing the State's Minority Business Enterprise (MBE) Program and creating the Office of Minority Affairs. This legislation also set a goal requiring at least 10 percent of the total dollar values of State contracts be awarded to minority business enterprises. In 1990, the law was modified, designating the Maryland Department of Transportation's (MDOT) Minority Business Enterprise Advisory Committee as the State's MBE certification body. This law was subsequently modified, and in 1995 the goal was increased to 14 percent. In 2000, the goal was increased to 25 percent with subcontracting sub-goals of 7 percent for certified African American-owned firms and 10 percent for certified women-owned firms. In 2004, the Director position for GOMA was elevated to Special Secretary and the requirement that prime contractors identify MBE participation at the time of bid submission became effective.

B. Governor's Office of Minority Affairs

Governor Martin O'Malley in May, 2007 appointed Luwanda W. Jenkins as Special Secretary for GOMA. GOMA was reorganized in alignment with its two primary functions: State Agency Monitoring and Compliance for the MBE program goals and Advocacy and Outreach to the business community.

The Monitoring and Compliance Unit is responsible for ensuring that the goals of the MBE program are met through the collective efforts of all State agencies. The Unit's core functions include: agency MBE reporting, monitoring, and technical assistance; investigation of MBE contract/procurement inquiries and issues; and, legislative initiatives.

The Advocacy and Outreach Unit is responsible for delivering information and support to create an environment that empowers MBEs to take advantage of procurement opportunities, financing, technical support, training, and relationships in the public and private sectors. The Unit's core functions include: advocacy, marketing and outreach activities, program management; and day-to-day operations management.

GOMA advises the Governor on key issues that impact minority business communities; develops executive MBE policy directives and procedures for State agencies; assists State agencies with implementation of policies and procedures; and works with State agencies to increase MBE utilization. GOMA also serves as a resource for information and support to help women and minority businesses navigate the State's procurement and certification processes; obtain referrals that are needed to start, develop, and grow their business; receive information through conferences and seminars; and identify business opportunities within State government.

GOMA's responsibilities differ from those of MDOT's MBE Office in that GOMA is responsible for MBE program implementation in the State agencies, and monitoring and

compliance of MBE activities, while MDOT is responsible for certifying the entities that agencies can utilize to meet MBE requirements.

III. MINORITY BUSINESS ENTERPRISE ACTIVITY/PROJECTS

A. MBE Contract Activity

The information presented in this fiscal year 2007 MBE Annual Report is based on data that has been attested to by the heads of reporting agencies. To assist in determining the actual MBE participation in State contracts, it is important to analyze each MBE classification by reviewing contract awards and actual payments to the minority business community.

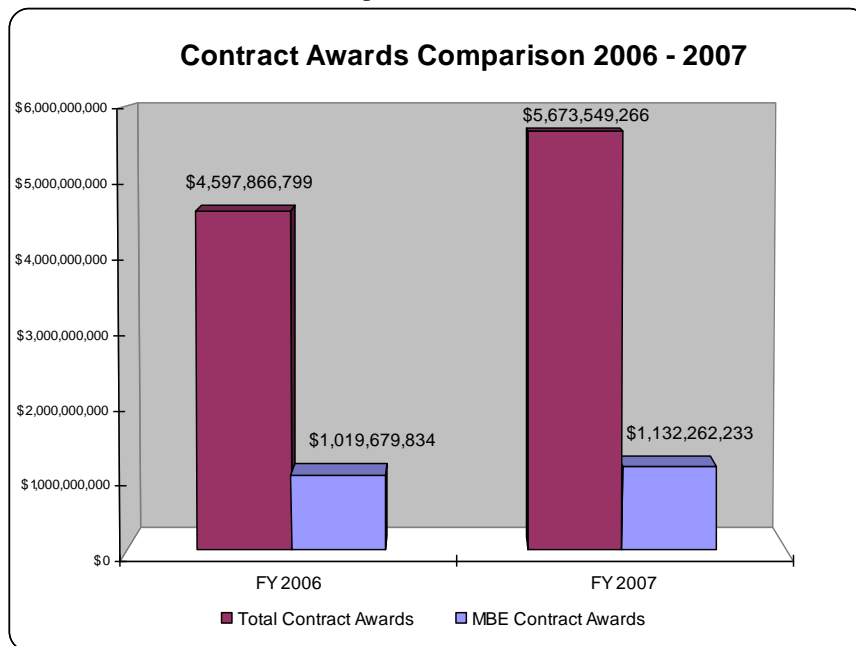
1. MBE Awards

For fiscal year 2007, Maryland agencies reported \$5.6 billion in total contract award dollars. Of the total contract award dollars, \$1.1 billion, or 20 percent, represented awards to minorities, women, non-profit entities and sheltered workshops. There was a considerable increase in the State's total award dollars during fiscal year 2007, which resulted in an increase in contract award dollars to MBEs. A comparison of contract award dollars in fiscal years 2006 and 2007 show that MBE contract award dollars increased as overall State contract awards increased. This is displayed in Exhibits 1 and 1.1.

Exhibit 1: MBE Contract Awards Comparison by Fiscal Year

MBE Contract Awards, FY 2006	MBE Contract Awards, FY 2007	% Increase
\$1,019,679,834	\$1,132,262,233	11%

Exhibit 1.1: Contract Award Comparison



Exhibits 2 and 2.1 display the detail of the State's contract activity with certified minority business enterprises in fiscal year 2007. A review of the award data in Exhibit 2 reveals that approximately 70 percent of the total contract awards to ethnic minorities and women were subcontracts, and 30 percent were prime contracts. Monthly monitoring, through StateStat, will serve as a means to evaluate state procurement practices and encourage State departments and agencies to award additional prime contracts to MBEs whenever feasible.

Exhibit 2: FY 2007 MBE Participation

Description	Total Value of Contract Awards	% of Total All Awards	Value of Prime Contract Awards	Value of Subcontract Awards
Women	\$322,921,247	5.7%	\$99,563,933	\$223,357,315
African American	\$206,206,524	3.6%	\$41,826,100	\$164,380,424
Asian American	\$132,742,960	2.3%	\$54,708,824	\$78,034,136
Hispanic American	\$62,657,536	1.1%	\$27,501,184	\$35,156,352
Native American	\$19,055,663	0.3%	\$446,810	\$18,608,853
Disabled	\$6,432,211	0.1%	\$5,567,877	\$864,334
Non-Profit (Certified)	\$192,007,334	3.4%	\$189,306,494	\$2,700,840
Sheltered Workshop (Certified)	\$190,238,758	3.4%	\$190,238,758	\$0
Total All MBE Awards	\$1,132,262,233	20.0%	\$609,159,980	\$523,102,254
Total All Awards	\$5,673,549,266	100.0%		

Note: Some figures may differ slightly due to rounding.

Exhibit 2.1: Breakdown of Participation by MBE Category

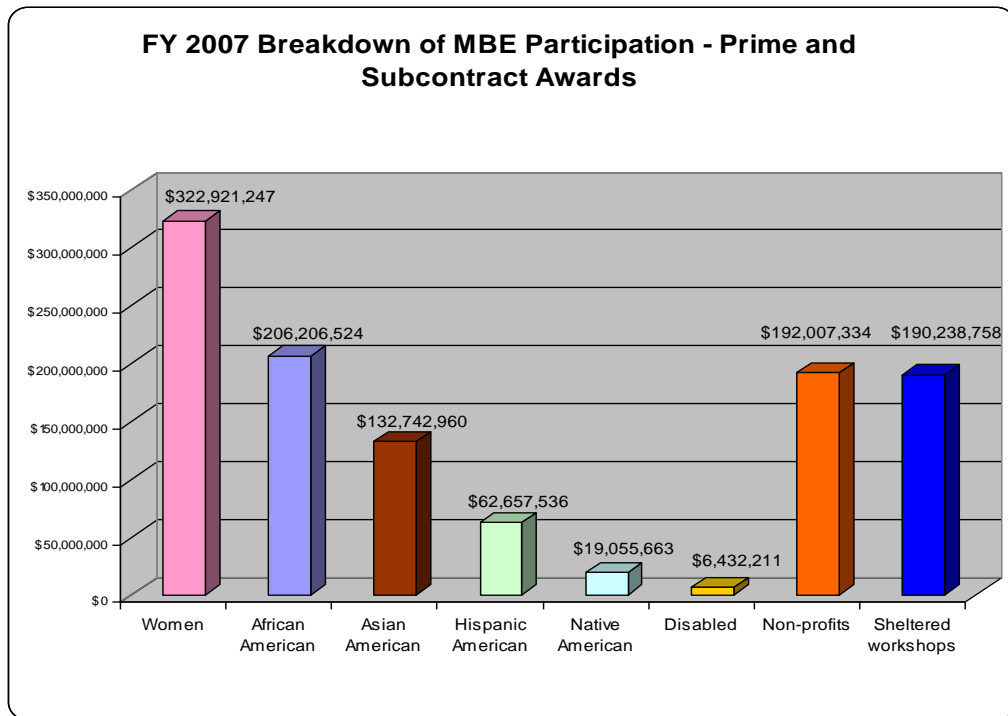


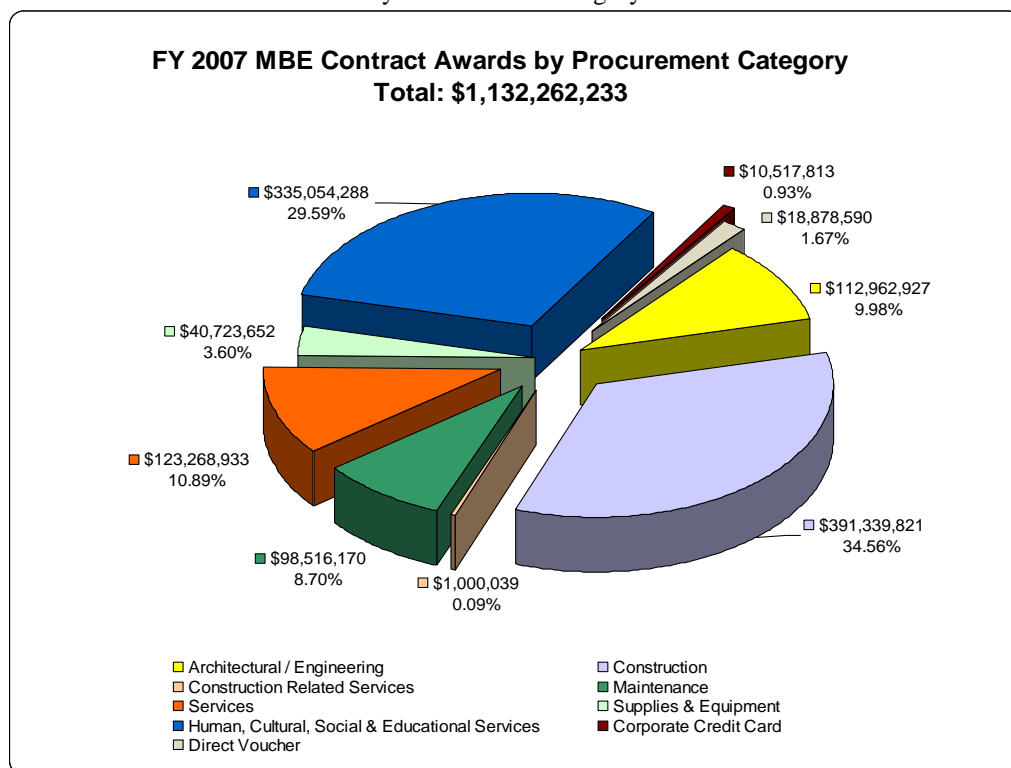
Exhibit 3 lists contract awards by industry and reflect that the majority of State contracting occurred in the construction industry. Contract awards in the human, cultural, social, and educational services industry reflect the highest MBE participation.

Exhibit 3: Aggregate MBE Participation by Industry/Procurement Category FY 2007

Procurement Category	Total All Prime Contract Awards (Including MBE)	Total MBE Prime Contract Awards	Total MBE Subcontract Awards	Total All MBE Contract Awards - Prime & Sub	Total MBE Participation Percentage
Architectural / Engineering	\$539,485,665	\$6,667,637	\$106,295,290	\$112,962,927	20.9%
Construction	\$2,141,138,301	\$59,385,417	\$331,954,404	\$391,339,821	18.3%
Construction Related Services	\$8,028,684	\$647,436	\$352,603	\$1,000,039	12.5%
Maintenance	\$291,994,339	\$74,138,796	\$24,377,374	\$98,516,170	33.7%
Services	\$854,282,397	\$74,605,791	\$48,663,142	\$123,268,933	14.4%
Supplies & Equipment	\$677,936,829	\$34,348,188	\$6,375,464	\$40,723,652	6.0%
Human, Cultural, Social & Educational Services	\$886,707,399	\$330,351,404	\$4,702,884	\$335,054,288	37.8%
Corporate Credit Card	\$179,368,017	\$10,136,719	\$381,094	\$10,517,813	5.9%
Direct Voucher	\$94,607,633	\$18,878,590		\$18,878,590	20.0%
Totals	\$5,673,549,266	\$609,159,978	\$523,102,255	\$1,132,262,233	20.0%

Total contract awards to MBEs by procurement category are shown in Exhibit 4.

Exhibit 4: MBE Contract Awards by Procurement Category



Exhibits 5 through 12 display the MBE participation for each MBE classification by procurement category. Highlights of the MBE contract award activity include:

- The majority of contract awards to Women, African Americans, Hispanic Americans, and Native Americans were in the construction category (Exhibits 5 through 8).

Exhibit 5: FY 2007 Awards to Women-owned MBEs

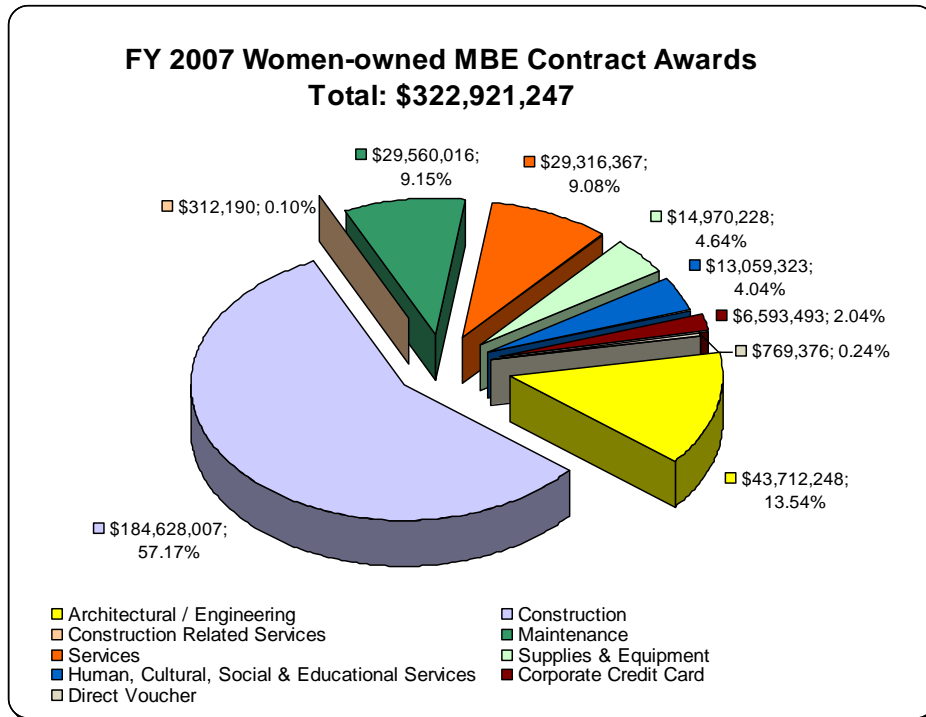


Exhibit 6: FY 2007 Awards to African American-owned MBEs

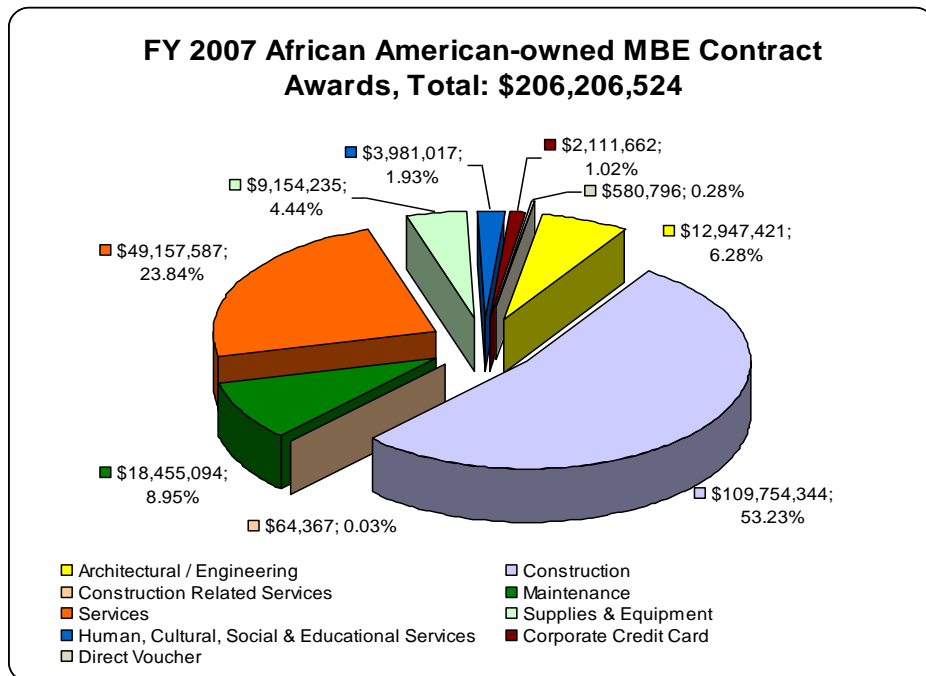


Exhibit 7: FY 2007 Awards to Hispanic American-owned MBEs

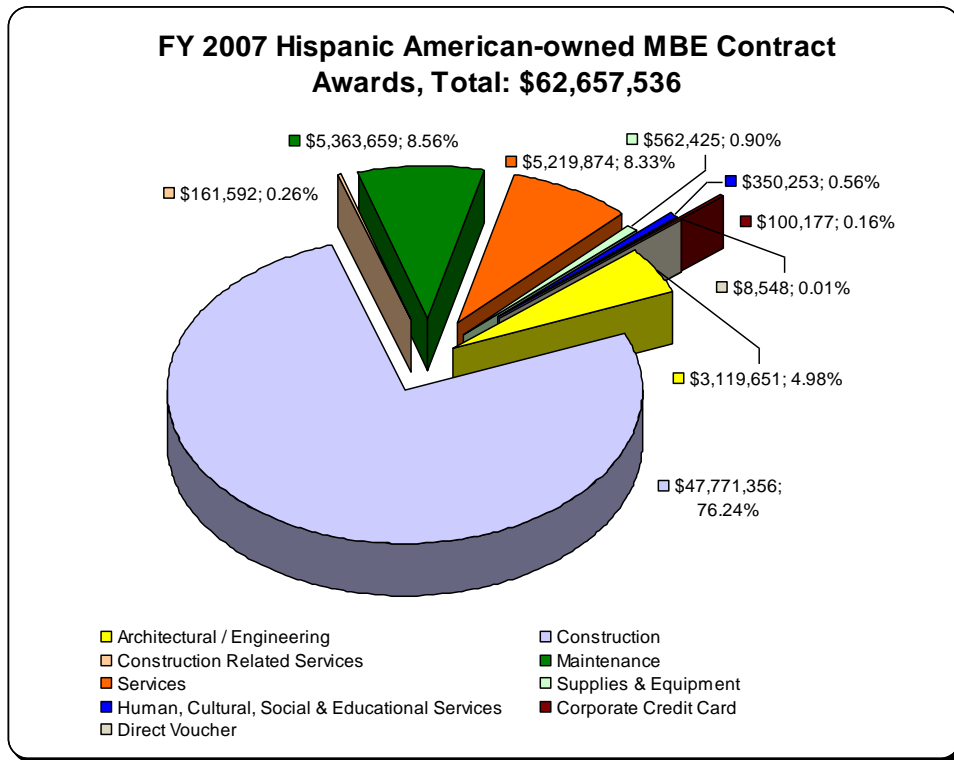
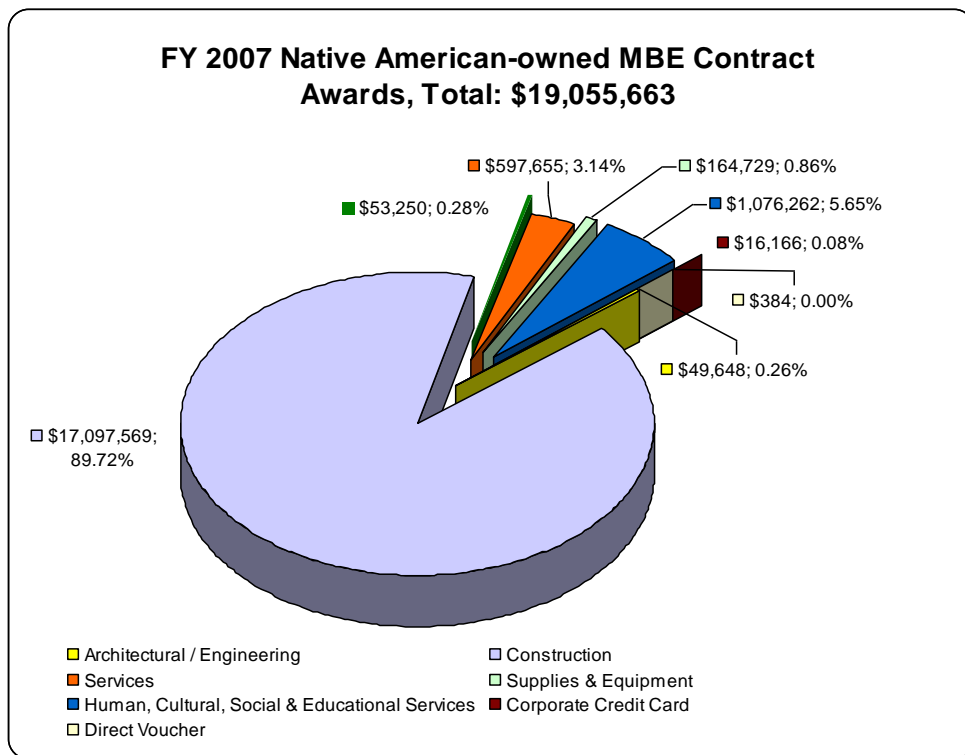
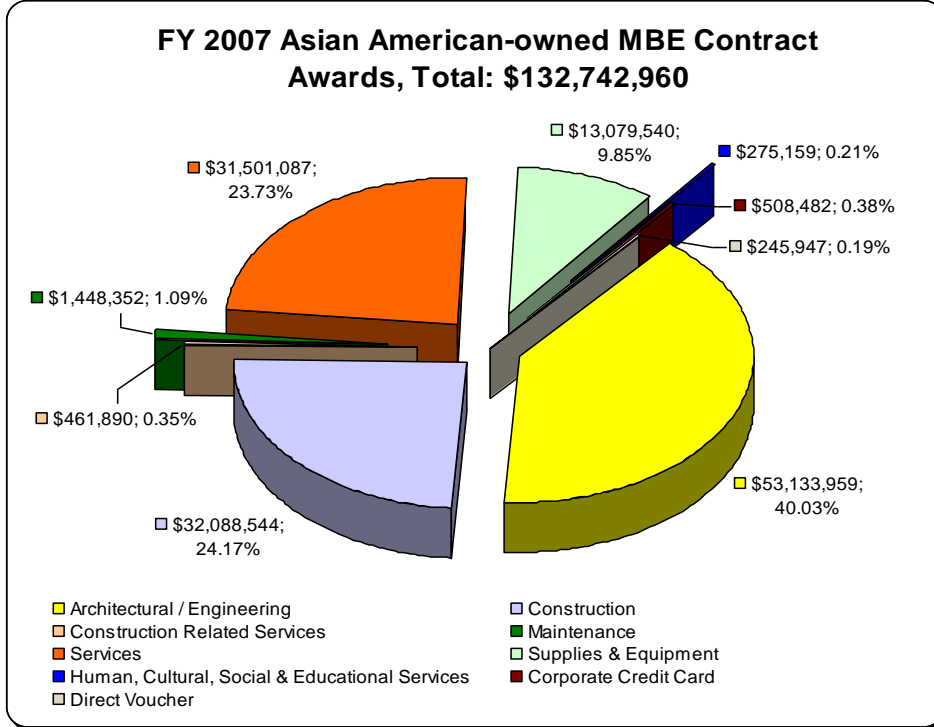


Exhibit 8: FY 2007 Awards to Native American-owned MBEs



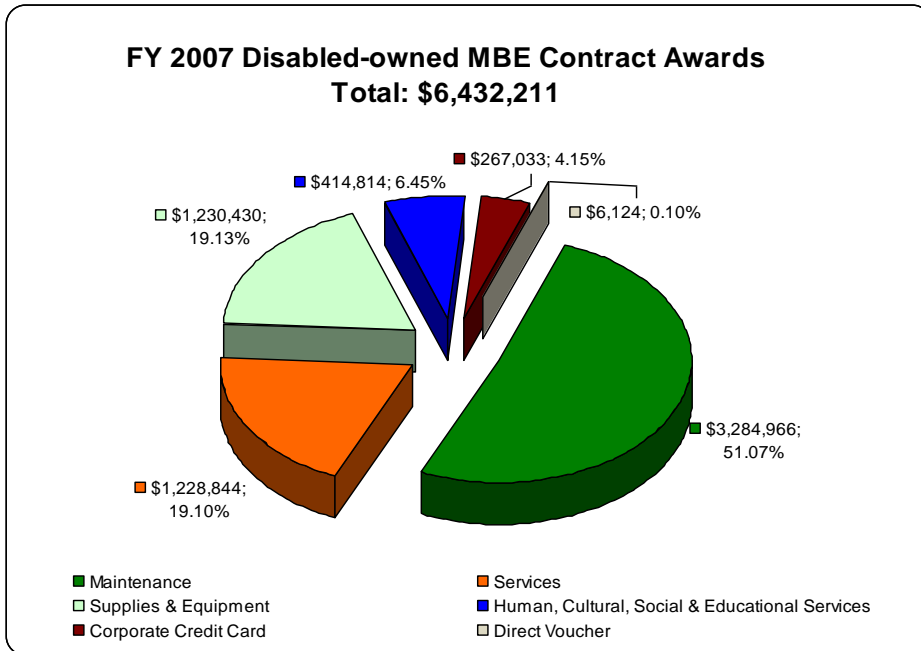
- Contract awards to Asian American MBEs were primarily in the architectural/engineering, construction and services categories. (Exhibit 9)

Exhibit 9: FY 2007 Awards to Asian American-owned MBEs



- The majority of contracts for Disabled-owned MBEs were in the maintenance category. (Exhibit 10)

Exhibit 10: FY 2007 Awards to Disabled-owned MBEs



- Certified Non-profits and Certified Sheltered Workshops largely received contract awards in the human, cultural, social and educational services category. (Exhibits 11 and 12)

Exhibit 11: FY 2007 Awards to Non-profit MBEs

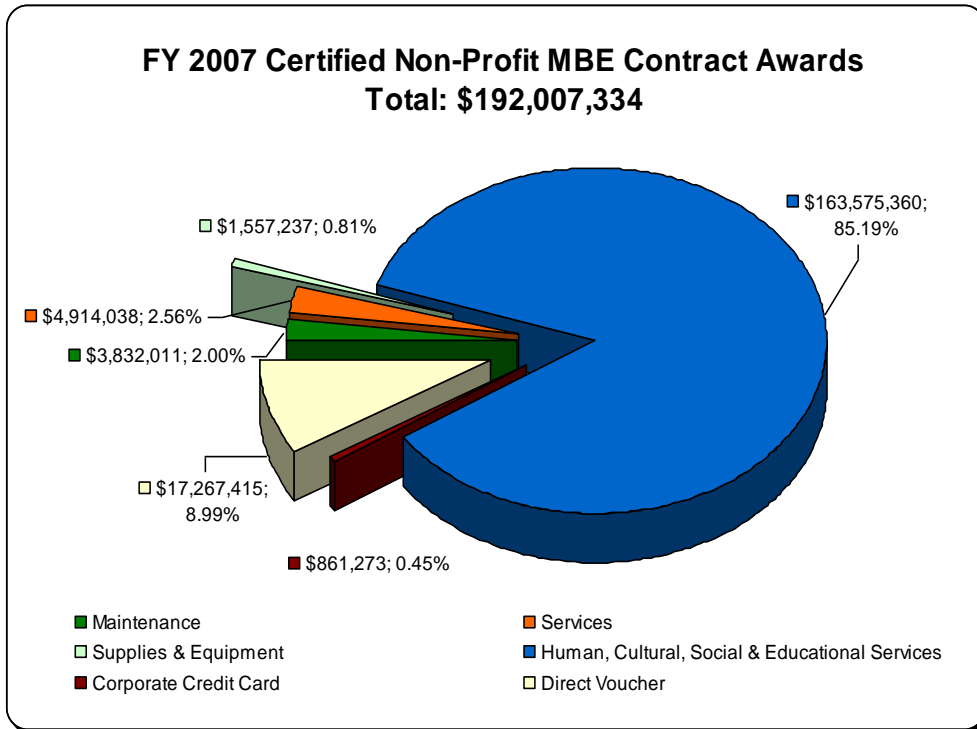


Exhibit 12: FY 2007 Awards to Certified Sheltered Workshops

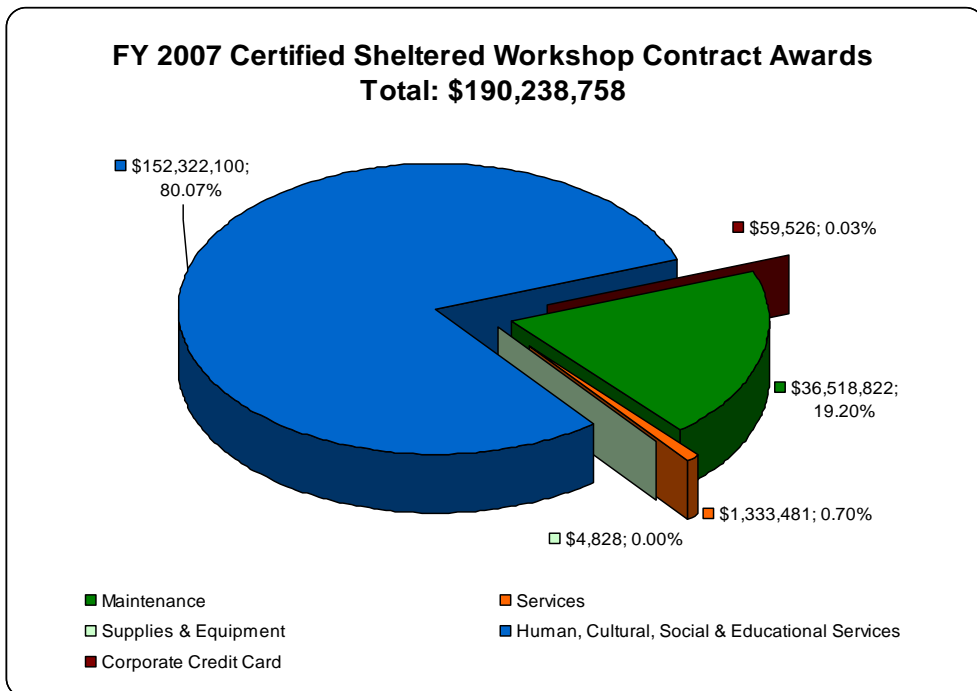


Exhibit 13 lists the total contract awards and the MBE contract awards by each reporting State agency.

Exhibit 13: MBE Contract Awards as a Percent of Total Contract Awards

FISCAL YEAR 2007 MBE CONTRACT AWARDS BY STATE AGENCY			
Agency Name	Total Procurement Dollars	MBE Procurement Dollars	Percentage
Aging	\$2,105,731	\$326,012	15.5%
Agriculture	\$4,024,107	\$230,545	5.7%
Archives	\$5,672,292	\$1,165,726	20.6%
Assessments & Taxation	\$1,398,426	\$172,941	12.4%
Attorney General's Office	\$795,117	\$84,618	10.6%
Automobile Insurance Fund	\$510,413	\$178,263	34.9%
Baltimore City Community College	\$9,733,475	\$788,959	8.1%
Bowie State University	\$11,188,202	\$2,593,831	23.2%
Budget & Management	\$273,300,267	\$38,920,224	14.2%
Business & Economic Development	\$8,001,882	\$2,672,278	33.4%
Comptroller	\$12,355,420	\$5,550,928	44.9%
Coppin State University	\$11,257,699	\$1,803,672	16.0%
Deaf, School for the	\$2,054,543	\$255,836	12.5%
Education	\$181,631,692	\$6,549,106	3.6%
Elections	\$10,991,658	\$3,076,111	28.0%
Environment	\$2,657,404	\$906,097	34.1%
Environmental Services	\$83,673,442	\$17,352,214	20.7%
Executive Department	\$1,457,633	\$260,021	17.8%
Food Center Authority	\$729,769	\$187,014	25.6%
Frostburg State University	\$12,032,056	\$169,358	1.4%
General Services	\$451,001,577	\$31,872,783	7.1%
Health & Mental Hygiene	\$733,135,619	\$347,578,743	47.4%
Higher Education Commission,	\$1,013,721	\$353,928	34.9%
Housing & Community Development	\$4,539,579	\$662,571	14.6%
Human Relations Commission	\$9,879	\$9,879	100.0%
Human Resources	\$169,887,783	\$17,936,287	10.6%
Insurance Administration	\$932,843	\$235,510	25.3%
Juvenile Services	\$122,250,327	\$13,268,300	10.9%
Labor, Licensing & Regulation	\$11,456,351	\$3,387,047	29.6%
Lottery	\$26,751,824	\$1,125,571	4.2%
Military	\$3,065,891	\$270,847	8.8%

Minority Business Enterprise (MBE) Report

Reporting Period FY 2007
(July 1, 2006 – June 30, 2007)

FISCAL YEAR 2007 MBE CONTRACT AWARDS BY STATE AGENCY			
Agency Name	Total Procurement Dollars	MBE Procurement Dollars	Percentage
Morgan State University	\$52,224,295	\$13,411,132	25.7%
Natural Resources	\$7,756,893	\$804,128	10.4%
Peoples Counsel	\$335,114	\$52,118	15.6%
Planning	\$710,087	\$225,990	31.8%
Police	\$17,538,704	\$1,296,463	7.4%
Prosecutors Office	\$14,288	\$6,505	45.5%
Public Defenders Office	\$1,101,305	\$225,031	20.4%
Public Safety & Corrections	\$134,467,518	\$24,578,411	18.3%
Public School Construction	\$775,362,030	\$98,227,293	12.7%
Public Television	\$10,483,360	\$433,625	4.1%
Public Works	\$32,447	\$9,902	30.5%
Retirement	\$1,494,233	\$870,392	58.3%
Salisbury State University	\$18,324,432	\$965,988	5.3%
Stadium Authority	\$6,617,747	\$1,079,507	16.3%
Supplemental Retirement	\$2,413,275	\$401,915	16.7%
Towson University	\$39,556,806	\$9,193,237	23.2%
Transportation - Aviation	\$217,608,094	\$70,463,368	32.4%
Transportation - Motor Vehicle	\$56,949,310	\$10,698,033	18.8%
Transportation - Office of The Secretary	\$11,173,060	\$3,685,566	33.0%
Transportation - Port	\$68,868,645	\$14,979,052	21.8%
Transportation - State Highway	\$941,466,209	\$201,497,623	21.4%
Transportation - Transit	\$78,697,622	\$20,133,088	25.6%
Transportation - Transportation Authority	\$439,721,263	\$75,219,763	17.1%
Treasurer's Office	\$1,732,846	\$288,119	16.6%
University of Baltimore	\$13,218,808	\$1,001,741	7.6%
University of MD, Baltimore	\$231,943,459	\$34,221,966	14.8%
University of MD, Baltimore County	\$39,596,585	\$3,819,665	9.7%
University of MD, College Park	\$300,226,913	\$39,330,721	13.1%
University of MD, Eastern Shore	\$11,144,686	\$1,058,061	9.5%
University of MD, University College	\$23,395,629	\$4,034,625	17.3%
Veteran Affairs	\$9,037,606	\$17,474	0.2%
Workers Compensation	\$719,375	\$86,511	12.0%
STATE OF MD TOTAL	\$5,673,549,266	\$1,132,262,233	20.0%

2. MBE Payments

Payments to MBEs for goods and services during FY 2007 increased from \$733.1 million in FY 2006 to \$751.8 million in FY 2007 (Exhibit 14). The MBE statute does not require a review of payments; however, such a review is essential in determining the success of the MBE program.

Exhibit 14: Comparison of Payments for 2006 and 2007

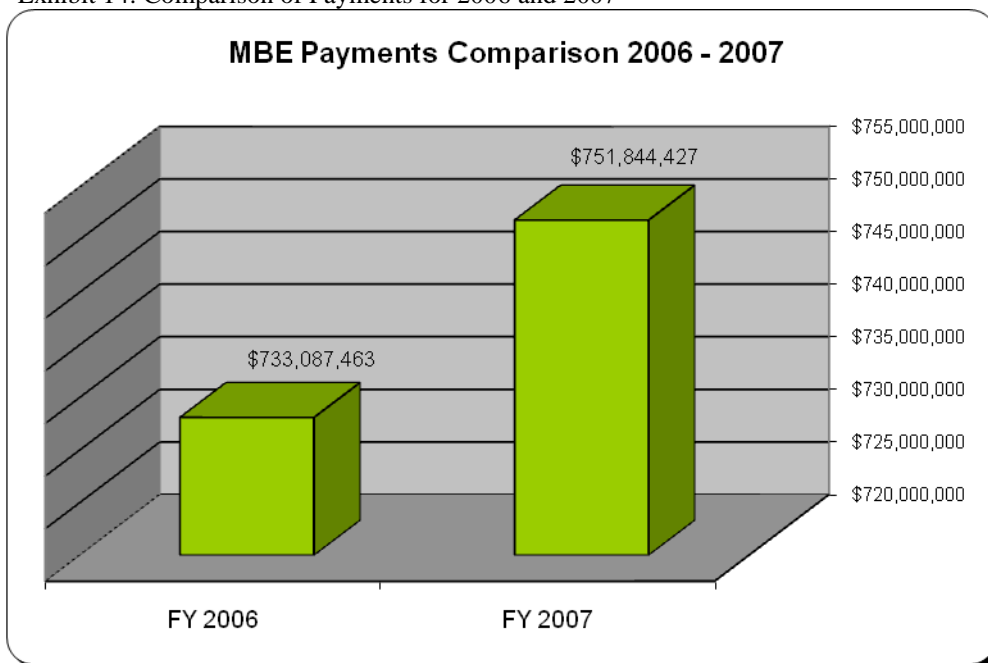


Exhibit 15 shows a breakdown of the payments to all MBE classifications.

Exhibit 15: FY 2007 Payments to MBEs by Classification

MBE Classification	Total Value of MBE Payments	% of Total MBE Payments	Value of MBE Prime Payments	Value of MBE Subcontract Payments
Women	\$190,423,956	25.33%	\$72,374,745	\$118,049,211
African American	\$115,341,375	15.34%	\$27,767,401	\$87,573,973
Asian American	\$86,857,171	11.55%	\$46,679,751	\$40,177,421
Hispanic American	\$43,750,371	5.82%	\$24,473,714	\$19,276,658
Native American	\$5,880,892	0.78%	\$1,185,817	\$4,695,076
Disabled	\$560,103	0.07%	\$340,504	\$219,599
Non-Profit (Certified)	\$152,394,765	20.27%	\$151,575,544	\$819,221
Sheltered Workshop (Certified)	\$156,635,793	20.83%	156,635,793	\$0
Total All MBE	\$751,844,427	100%	\$481,033,268	\$270,811,158

Actual payments made to MBEs by State agencies during fiscal year 2007 are listed in Exhibit 16.

Exhibit 16: Actual MBE Payments by State Agencies

FISCAL YEAR 2007 ACTUAL MBE PAYMENTS BY STATE AGENCY	
Name of State Agency	Total Actual Payments to MBEs
Aging	\$16,908
Agriculture	\$230,545
Archives	\$1,000,134
Assessments & Taxation	\$178,364
Attorney General's Office	\$185,957
Automobile Insurance Fund	\$356,525
Baltimore City Community College	\$658,717
Bowie State University	\$2,590,959
Budget & Management	\$26,973,077
Business & Economic Development	\$2,890,407
Comptroller	\$3,673,842
Deaf, School for the	\$381,805
Education	\$2,034,162
Elections	\$7,418,240
Environment	\$392,739
Environmental Service	\$10,000,390
Executive Department	\$364,420
Food Center Authority	\$164,647
Frostburg State University	\$115,528
General Services	\$17,700,732
Health & Mental Hygiene	\$321,521,341
Housing & Community Development	\$166,190
Human Relations Commission	\$9,879
Human Resources	\$2,750,918
Insurance Administration	\$1,006,310
Labor, Licensing & Regulation	\$1,685,245
Lottery	\$5,998,787
Military	\$555,114
Morgan State University	\$8,028,564

FISCAL YEAR 2007 ACTUAL MBE PAYMENTS BY STATE AGENCY	
Name of State Agency	Total Actual Payments to MBEs
Natural Resources	\$456,450
People's Counsel	\$52,118
Planning	\$232,959
Police	\$1,296,462
Prosecutor's Office	\$6,505
Public Defender's Office	\$307,283
Public Safety & Corrections	\$18,971,296
Public School Construction	\$94,000,476
Public Television	\$217,658
Retirement	\$492,466
Salisbury State University	\$694,281
Stadium Authority	\$1,664,434
Supplemental Retirement	\$1,575,842
Towson University	\$9,193,237
Transportation-Aviation	\$7,568,525
Transportation-Motor Vehicle	\$2,306,746
Transportation-Office of the Secretary	\$7,088,618
Transportation-Port	\$7,341,823
Transportation-State Highway	\$98,937,957
Transportation-Transit	\$3,514,093
Transportation-Transportation Authority	\$26,188,327
Treasurer's Office	\$288,119
University of Baltimore	\$428,483
University of MD, Baltimore	\$12,600,717
University of MD, Baltimore County	\$1,833,537
University of MD, College Park	\$30,709,914
University of MD, Eastern Shore	\$788,628
University of MD, University College	\$4,001,457
Workers' Compensation	\$35,568
Total - All MBE Prime & Subcontract Actual Payments	\$751,844,427

B. MBE Outreach Activities and Projects

• Activities

During fiscal year 2007, GOMA continued to initiate and support seminars, workshops and other programs designed to enhance the potential growth and development of small and minority and women-owned enterprises. As part of its statewide marketing effort, GOMA participated in numerous public speaking engagements and several outreach activities that informed the small, women, and minority business community of available resources, upcoming contracting opportunities, new issues, and legislation. The FY 2007 activities of GOMA follow:

Forums, MBE Site Visits, and Open Houses – Marketing the State's Services around the State

The purpose of these forums, site visits, and open houses are to ensure that WBEs/MBEs are aware of the opportunities available to do business with the State and to help them navigate through the State's complex certification and procurement processes. During fiscal year 2007, these activities were:

- Frederick County MBE Site Visits and Public Forum – July 10, 2006
- Wicomico County MBE Site Visits and Public Forum – July 16, 2006
- Health and Human Services Procurement Expo (Baltimore) – August 22, 2006
- MBE Open House (Baltimore) – September 13, 2006
- MBE Open House (Prince George's County) – November 3, 2006

Co-Sponsored and/or Co-Partnered Events:

- Top 100 MBE Awards Program (Prince George's County) – October 2006
- MD /DC Minority Supplier Development Council's Annual Procurement Conference – November 2006
- Baltimore Business Journal's Top 50 MBE Awards Program – December 2006
- African American Business Forum (Baltimore) – February 2007
- Hispanic Business Foundation of Maryland's 6th Annual Procurement and Business Growth Opportunities Fair for Small and Minority-Owned Businesses (Montgomery County) – March 2007
- Radio One's Minority Business Exchange Series (Baltimore) – March 2007
- Maryland Department of Housing & Community Development's "Take Charge and Move In" Workshops (Baltimore & Prince George's County)

The strength of GOMA's relationships with public, private, and business development organizations enhanced outreach efforts that resulted in relationships and/or partnerships with various groups including, but not limited to the following:

Commissions

- Governor's Commission on Asian Pacific American Affairs
- Governor's Commission on Hispanic Affairs
- Maryland Commission for Women

State Government

- Board of Public Works
- eMaryland Marketplace Users Group
- MBE Liaison Officers
- Senior Procurement Advisory Group
- Maryland General Assembly
- Legislative Black Caucus of Maryland
- Maryland Women's Legislative Caucus
- Procurement User Group/ADPICS Committee
- State Agencies/Departments

Chambers of Commerce

- Baltimore Hispanic Chamber of Commerce
- Baltimore/Washington Corridor Chamber of Commerce
- Greater Baltimore Black Chamber of Commerce
- Greater Bowie Chamber of Commerce
- Greater Silver Spring Chamber of Commerce
- Hispanic Chamber of Montgomery County
- Maryland Chamber of Commerce
- Maryland Hispanic Chamber of Commerce
- Montgomery County Chamber of Commerce
- Prince George's Black Chamber of Commerce
- Prince George's Chamber of Commerce
- National Black Chamber of Commerce

Economic Development

- Baltimore County Department of Economic Development
- Greater Baltimore Committee
- Harford County Office of Economic Development
- Howard County Economic Development Commission
- Maryland Economic Development Association (MEDA)
- Maryland Technology Development Corporation (TEDCO)
- Montgomery County Economic Development
- Prince George's County Economic Development Corporation

Small, Disabled, and Minority Business Resource Organizations

- Baltimore Small Business Resource Center
- Governor's Office for Individuals with Disabilities
- Humanim, Inc.
- Maryland/District of Columbia Minority Supplier Development Council
- Maryland Procurement and Technical Assistance Program (PTAP)
- Maryland Small Business Development Center (SBDC)
- Maryland Works, Inc.
- Meridian Management Group (MMG)
- U.S. Hispanic Youth Entrepreneur Education (USHYEE)

- U.S. Office of Small and Disadvantaged Business Utilization (OSDBU)
- U.S. Small Business Administration (SBA)

Associations

- Associated Builders and Contractors, Inc. – Baltimore Chapter
- Greater Baltimore Urban League
- Hispanic Business Foundation of Maryland
- Korean Business Enterprise Association
- Maryland Association of Counties (MACO)
- Maryland Business Roundtable for Education
- Maryland Minority Business Persons Association
- Maryland Minority Contractors' Association
- Maryland Municipal League (MML)
- Maryland Public Purchasing Association
- Maryland/Washington Minority Contractors' Association
- NAACP (national and affiliates)
- National Association of Minority Contractors (NAMC)
- National Association of Women Business Owners (NAWBO) – Baltimore Region
- Presidents Roundtable – Baltimore

Local Government

- City of Annapolis
- City of Baltimore Mayor's Office of Minority and Women-Owned Business Development
- City of Bowie
- Prince George's Office of Central Services

In an attempt to assist State agencies in fulfilling their legal mandate to solicit and engage in business with minority-owned firms, GOMA further advocated that these agencies regularly host and/or co-host outreach programs that are specifically designed for informing minority firms on contracting opportunities within their respective agencies. The agencies were also advised to establish in-house MBE outreach programs that are uniquely tailored to further their individual agency needs.

Communications:

- ***MBE Connections Newsletter***

GOMA's electronic newsletter was distributed to the small, women, and minority business community and provided information on issues, legislation, the status of continuing initiatives, and highlighted business success stories.

- ***Monthly Newspaper Columns***

GOMA was a monthly "guest" columnist for the *Baltimore Afro*, the *Daily Record*, the *Baltimore Business Journal*, and the *Washington Business Journal*. The purpose of the columns was to provide information and advice for small, women, and minority owned businesses.

- ***Weekly Radio Show***

GOMA hosted a call-in show on Radio One's WOLB 1010AM station that aired live on Wednesdays, from 10am to 11am. The show featured segments on how to do business with the State of Maryland, and featured cabinet secretaries, local and national minority entrepreneurs and advocates.

- ***Inclusion Magazine***

GOMA produced the "Maryland Inclusion" publication which focused on Maryland's MBE reform efforts, and highlighted MBE success stories.

- ***Media Requests***

GOMA participated in numerous interviews with various publications regarding MBE issues and concerns.

Interagency Activities:

- ***Advanced Purchasing and Inventory Control System (ADPICS) Committee***

ADPICS (Advanced Purchasing and Inventory Control System) is the purchasing component of the State's Financial Management Information System (FMIS). The ADPICS Committee meets bimonthly; GOMA attends and provides advice on issues impacting procurement officers as they attempt to comply with MBE requirements. For FY 2007, GOMA continued to work with ADPICS representatives to more effectively integrate the MBE reporting format with FMIS and to use this information to validate agency reported MBE participation.

- ***eMaryland Marketplace User Group***

eMaryland Marketplace is the internet-based procurement portal for State contracts. Monthly user group meetings are held with Agency Buyers and Procurement Officers to provide technical assistance for better use of eMaryland Marketplace and to receive suggested improvements to the system. GOMA was an active participant in the user group during FY 2007.

- ***Maryland Department of Transportation (MDOT) Minority Business Enterprise Advisory Committee (MBEAC)***

State MBE Certification is carried out under both Federal and State Regulatory provisions. The federal program is the Disadvantaged Business Program (DBE) and the State of Maryland Program is the Minority Business Enterprise (MBE) Program. The MBEAC is made up of 13 public and private sector individuals and representatives of trade associations that meet biweekly and make recommendations to the Chairperson for final action. MBEAC is a vehicle for ensuring the integrity and consistency of Maryland's MBE certification process. GOMA's assigned designee was an active member.

- ***Procurement Advisory Council (PAC)***

The Procurement Advisory Council consults with the Board of Public Works on procurement issues and recommends improvements. Special Secretary Jenkins participates as a voting member of PAC.

- ***Procurement User Group (PUG)***

Consisting of, but not limited to, Agency Procurement Officers, Buyers, Fiscal Administrators, and Information Technology Officers, PUG meetings are held bimonthly to discuss concerns with ADPICS and recommend solutions. GOMA participated in PUG meetings and recommended changes that would assist agency staff with MBE reporting requirements.

- ***Senior Procurement Advisory Group (SPAG)***

This statewide group of senior procurement officials from each of the major State agencies is organized by the Senior Procurement Officer of the Department of Budget and Management and meets bi-monthly to discuss procurement issues. GOMA maintained active membership on this committee and advises SPAG on current MBE issues.

- ***Monitoring and Compliance***

Significant strides were undertaken regarding MBE monitoring and compliance. Some of the activities included:

- Assisted MBEs as well as State agencies in resolving contract disputes;
- Developed and disseminated contract monitoring and compliance guidelines to agency MBE Liaisons;
- Co-partnered with the Board of Public Works to conduct a mandatory training for State agency MBE liaisons and procurement personnel;
- Conducted MBE Liaison trainings and Small Business Reserve (SBR) Program training for MBE and Procurement Officers;
- Provided one-on-one consultations with agency MBE and Procurement officers to provide guidance with MBE program requirements, StateStat MBE reporting, and MBE annual reporting.

Other:

- ***Base Realignment and Closure (BRAC)***

The implementation of the U.S. Department of Defense's 2005 Base Realignment and Closure (BRAC) plan in Maryland has brought with it many opportunities, including potential economic development and small and minority business growth. BRAC is anticipated to create as many as 60,000 future jobs in Maryland.

In preparation for this expansion, the Governor and the General Assembly created the Governor's Subcabinet on Base Realignment and Closure, whose mission is to "coordinate State activities and work with the federal and local governments to prepare for and accommodate incoming households and jobs while sustaining and enhancing the quality of life throughout the State". A key task of the Subcabinet was to develop a statewide BRAC Action Plan. GOMA is a participating member of the BRAC Subcabinet.

With the identification of small and minority business inclusion as one of the key areas of focus for Maryland's BRAC initiative, GOMA was charged in FY 2007 with developing an "Action Plan" for BRAC outlining a strategy for Maryland's small and minority businesses. In addition, GOMA assisted the Maryland Small Business Development Center with implementing a series of BRAC-related trainings targeting small businesses.

IV. FISCAL YEAR 2008 OUTLOOK

With continued support and strong directives from the Governor to Cabinet Secretaries and other agency personnel who impact MBE activity throughout State government, progress towards maximum inclusion of minority firms will continue. GOMA will reinforce the O'Malley/Brown Administration's commitment by focusing attention on agency accountability and compliance, improved reporting and data management procedures, and enhanced outreach to the minority business community. GOMA will also focus on leveraging emerging opportunities such as Maryland's Base Realignment and Closure (BRAC), and private sector MBE partnerships which will provide greater access to business activity for Maryland's small and minority firms.

To accomplish these goals, GOMA will advocate for MBE Reform measures that are intended to restructure, strengthen, and centralize the State of Maryland's MBE activities to achieve greater efficiency and results. Such reform measures will include policy actions which directly address specific barriers and practices that constrain and undermine MBE outcomes. Examples of such policies include directives which deal with improper use of MBE waivers on State agency contracts, prompt payment of MBE subcontractors, and the need for improved MBE goal setting procedures.

In the area of MBE Advocacy and Outreach, GOMA will undertake the following activities:

- Provide consultation to MBEs on how to access business opportunities with the State of Maryland through information dissemination, workshops and seminars.
- Mobilize State agencies to individually and collectively sponsor MBE Outreach activities.
- Partner with private sector companies and organizations to promote the inclusion of MBEs. The Maryland Hospital Association's new minority business initiative and the State's Microsoft partnership are examples of new private sector MBE opportunities.
- Expand the Small Business Reserve program and launch the Linked-Deposit program which will provide an estimated \$50 million in low-interest, working capital loans for certified minority firms.

The O'Malley/Brown Administration and GOMA are committed to working together with all MBE stakeholders, State agencies, MBE advocates, legislators, and private sector partners to ensure the continued success of Maryland's Minority Business Enterprise Program for FY 2008 and beyond.

V. APPENDIX: GLOSSARY

Board of Public Works (BPW): Established by the Maryland Constitution, the BPW is comprised of the Governor, the Comptroller of the Treasury and the Treasurer, and holds regular sessions to ensure that significant State expenditures are necessary and appropriate, fiscally responsible, fair, and lawful.

Contract Awards: Non-exempt contracts entered into by the State with vendors to provide goods and services. Contract awards include and are represented by blanket purchase orders, purchase orders, one-time direct purchases, and credit card purchases. The full amount of a contract award may or may not be transferred to the awardee via actual payments.

Certified Minority Business Enterprise (MBE): A minority business enterprise that holds a certification issued by the Maryland Department of Transportation (MDOT).

Certified Sheltered Workshop: An entity, the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual that is: organized under the laws of the United States or the State of Maryland; accredited by the Division of Vocational Rehabilitation of the State Department of Education; operated in the interests of individuals with disabilities; and certified as a sheltered workshop by the Wage and Hour Division of the United States Department of Labor. For purposes of MBE reporting, contract awards to Certified Sheltered Workshops that are certified by MDOT are counted.

MBE – Minority Business Enterprise: A business that is at least 51 percent owned, managed and controlled by a minority person(s) who are a member(s) of socially or economically disadvantaged minority groups, such as African Americans, Asian Americans, Hispanic Americans, Native Americans, women and physically or mentally disabled individuals. Under State law, MBEs also include not for profit entities organized to promote the interests of physically or mentally disabled individuals.

MBE Prime Contracts: Contracts awarded by a department/agency directly to MBEs; 100 percent of the value of MBE prime contract awards are counted towards an agency's MBE achievement.

MBE Waiver: A request that a procurement agency waive part or all of a contractor's obligations relating to minority business enterprise participation.

Payments: Monies actually paid to either a prime contractor or subcontractor.

Procurement: Includes all functions that pertain to the process of leasing real property as a lessee, and the process of buying, leasing as lessee, purchasing, or otherwise obtaining any supplies, services, construction, construction-related services, architectural services, engineering services, or services provided under an energy performance contract, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Category: Refers to the various business categories, Architectural and Engineering; Construction; Construction-Related Services; Maintenance; Services; Supplies and Equipment; Human, Cultural, Social and Educational Services, credit card purchases, and direct vouchers.

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Business & Economic Development ■ Budget &
Management ■ Education ■ Environmental Service ■
General Services ■ Health & Mental Hygiene ■ Human
Minority Business Enterprise
Resources ■ Juvenile Services ■ Lottery ■ Morgan
means
More Business for Everyone
State University ■ Police ■ Public Safety &

Correctional Services ■ Public School Construction
■ Salisbury State University ■ Towson University ■
Transportation – Aviation, Motor Vehicle, Port, State

Highway, Transit, Transportation Authority ■
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